GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3129
ANSWERED ON:10.08.2001
MONEY LAUNDERING ACTIVITIES
DR. KIRIT SOMAIYA

Will the Minister of FINANCE be pleased to state:

(a)whether the Government have taken note of United States of America categorising India as a country of primary concern;

(b)if so, whether the USA has passed observations regarding money laundering activities in India;

(c)if so, the details and observations;

(d)whether India is used as a money laundering activities by various persons, drug curtailers, etc;

(e) if so, whether India is unable to check financial abuse from tax evasion;

(f) if so, the observations passed by the USA and OECD; and
(g) the steps Government has taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN)

(a) Government is not aware of any official communication in this regard.

(b) & (c) Do not arise.

(d) The possibility can not be ruled out.

(e) The intelligence/enforcement agencies concerned in the matter take appropriate action under the FERA/ FEMA Income Tax Act and other Acts.

(f) Does not arise in view of reply to (a) above.

(g) A comprehensive legislation in the form of Prevention of Money Laundering Bill, to provide adeterrence to money laundering has been passed by the Lok Sabha on2nd December, 1999. Subsequently, the Bill was tabled in the Rajya Sabha which referredto the Select Committee. The Select Committee has submitted its report, which is under consideration.